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Greece

Kiwifruit

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Report Highlights:

Severe frost during the spring of 2003 had a significant effect Greek Kiwi production. Nevertheless, planted area is increasing, and Greek kiwi production could soon become more significant as the industry tries to improve its processing and marketing capabilities.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

I. Situation and Outlook

Production

The severe frost, which prevailed mostly in Northern Greece during April 2003, reduced kiwi fruit production by almost 40 percent compared to a year earlier and reached only 18,000 MT. This is the worst output in recent years. The 2002 harvest, which is also considered to be low, reached 30,000 MT. Under normal weather conditions, Greek output has the potential to exceed 50,000 MT.

With the reduced 2003 harvest, adverse weather conditions also affected the size of the kiwi fruit, which appeared to be smaller than average compared to previous years.

The northern Greek district of west Macedonia, which is the major kiwi fruit producing area, had one of the worst harvests in terms of quality and quantity, yielding only 7,000 MT compared to 20,000 MT 25,000 MT in previous years. After the year 2000, the introduction of new plantings in this region, which are currently estimated at around 700 hectares, did not have the chance to increase kiwi fruit output due to continuing adverse weather conditions.

In the prefectures of Arta and Preveza (western Greece) there was also a drastic reduction in fruit output. In these areas, 2003 production is reported to be 5,000 MT compared to 12,000 MT in 2002. The small size of the kiwi fruit this year was also a serious problem for the region. Although in 2003 was a small crop, in the Arta prefecture the cultivation of kiwis seems to be profitable for most farmers. Recently, another 500 hectares were introduced for planting, replacing traditional cultivations such as cotton, tobacco and corn.

According to some producers, the average yield of kiwifruit under normal weather conditions in Greece is close to 30 MT/ha, but this year the yield decreased drastically to only 5-6 MT/ha due to the severe frost which hit during the Spring of 2003.

According to farmer groups and local co-operatives, grower prices for the three major producing prefectures were within the following range:

Grower prices		
Prefecture	2002	2003
	Euro/kg	Euro/kg
Pieria	0.55-0.60	0.50
Preveza-Arta	0.65	0.50-0.60

Lower farm prices for the 2003 harvest compared to a year earlier were due to the small size of the kiwi fruit, which tends to be less desirable among Greek consumers and international markets.

According to EU Reg.No 410/90, which sets the quality standards for kiwifruit, the timing harvest depends on the Brix of the fruit which for this year was set at 8,5-9 Brix for EU shipments and 6,2 Brix for shipments outside EU.

No price supports or subsidies are available because kiwi fruit is not supported by the EU Common Agricultural Policy.

The introduction of over 700 hectares into acreage in 2003 is considered to be very positive development for the future output of kiwis in Greece.

Consumption

The analysis of the total domestic kiwifruit consumption during the last two years as compared to forecast figures for the 2003 crop, which are subject to further revision next year, is as follows:

	2001/02	2002/03	2003/04
Metric Tons			
Fresh Consumption	18,500	7,784	3,000
Farm Use	500	400	200
Processed	Neg.	Neg.	150
Waste and Losses	2,500	3,586	1,650
Total Domestic Consumption	21,500	11,770	5,000

Waste and losses include both fruit rejected during harvest as well as losses and sorting during prolonged storage. Kiwis in Greece are consumed mostly as fresh fruit, and only a very small percentage is dedicated to the processing sector for the preparation of confectionary products.

Due to the fact that Greek consumers show a high preference for kiwi fruits of larger size, the small size of the fruit this year may adversely affect fresh domestic consumption. Fruits of larger size will be introduced into the market at extremely high prices.

Stocks

The small 2003 crop did not encourage long-term cold storage of kiwis since fruits of larger size and better quality were already being sold in the EU and in the international market.

Trade

According to the Greek Ministry of Agriculture, exports of kiwis are still under way. As of December 5, 2003, 3,605 MT have already been exported (2,075 MT to EU countries) compared to 35,061 MT the same period a year earlier (2,307 MT to EU destinations).

The drastic reduction of exports this year, due to a lack of kiwifruit, caused anxiety among co-operatives and exporters, who are now hoping for better weather conditions next season.

An indicative ex-factory price for kiwis this year is 2 Euros/kg (packed and ready to be marketed). The most common exported packaging of kiwis in Greece is in paper carton boxes of 10 kgr, 3kgr and 1kgr.

In the prefecture of Arta, very few trade agreements have taken place this year due to the small size of the fruit.

A large percentage of Greek kiwis are destined mostly to the Eastern Europe, In MY 2002/03 a total of 6,259 MT was exported to EU countries compared to 6,495 in MY 2001/02. Exports to the EU are mostly destined to England and Germany.

Marketing

The Organization for Certification and Supervision of Agricultural products (OPEGEP), which was established by the Ministry of Agriculture, has the responsibility to certify agricultural products, to promote exports and to apply specific labeling. OPEGEP is also responsible for EU subsidy payments to farmers all kind. This organization certifies and supervises agricultural organic products and the implementation of environmental friendly agricultural practices, which are set and subsidized by the EU. Kiwifruit are, along with other products such as olive oil, peaches, asparagus, table grapes, fish farming and cheese industry products, under the supervision of OPEGEP.

"ZEUS kiwis S.A" is the first kiwi packing and trading company in Greece to obtain certification for environmental friendly agricultural practices and for the cultivation of kiwis under an integrated system, which minimizes the use of agrochemicals, According to the Ministry of Agriculture, the eco-friendly certification gave the company a boost in its exports. Currently, the company exports kiwifruits to more than 30 countries all over the world.

Organic kiwis certification is also carried out by private organizations and/or companies, which are accredited by the Greek Ministry of Agriculture. The key Quasi-Governmental Certification organization of Greece is AGROCEPT. AGROCEPT was established a few years ago and operates under a private company law, but also receives funding from the Greek Government to supplement farmer contributions (product certification charges).

Despite the potential of kiwis to increase market penetration, the cost of production and certification is still extremely high, currently estimated at 200 Euro/ha. The international market, particularly the market in Western Europe, has not been very willing to pay higher prices for certified products. Due to this, the kiwi crop in Greece is considered to be a supplementary cultivation, which is carried out not only by full-time farmers, but also by part-time producers who have other income sources.

Policy

According to EU Regulation No. 2066/2002, the kiwi of Pieria (Aktinidio Pierias) was registered as a product under Geographical Indication (GI). In this region, one of the most important agricultural unions in Greece is the Union of Agricultural Co-operatives of Pieria, which among other products also trades large quantities of kiwis. The cooling facility and packing capacity of this co-operative is exceptional and is estimated at 10,000 MT/year of fresh fruit basis.

In recent years new plantings in all regions of Greece are estimated at approximately 1,000 ha, which will potentially increase kiwi output to more than 70,000 MT in the near future. According to trade and co-operative sources, with this increase in production, the trading and marketing sector may not be prepared to handle such an increase. To avert the possibility of oversupply, the kiwi sector is thinking about establishing an inter-professional organization that will deal exclusively with the promotion of kiwis.

The small size of orchards and their scattered distribution is a major difficulty with Greek kiwi production, especially in the prefectures of Arta and Preveza. Cultivation costs tend to be fairly high and it is difficult to achieve economies of scale. The lack of a kiwi processing industry is another problem, which has been an obstacle for the development of the kiwi sector. The low output does not facilitate the operation of such an industry. As kiwi production increases, a well-organized processing sector will be necessary, especially in order to absorb the smaller sized kiwi fruits.

The Agricultural Insurance Fund (ELGA) has already initiated compensation payments for the spring frost. Payments were calculated by ELGA's field agronomists based on estimates of the magnitude of crop damage. No compensations were made if kiwi damage is less than or equal to 30 percent of the farmer's total crop. For damages that exceeded the threshold, farmers could receive a compensation for up to 88 percent of total damages.

In view of the EU-25 expansion, trading of fresh Mediterranean products is expected to grow.

PS&D Table, Fresh Kiwifruit

PSD Table

Country	Greece						
Commodity	Kiwifruit						(HA)(MT)
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [Estimate [10/2001	DA Official [Estimate [10/2002	DA Official [Estimate [New] 10/2003	MM/YYYY
Market Year Begin							
Bearing Area	4330	2300	4405	2300	0	2350	(HA)
Non-Bearing Area	70	75	75	100	0	800	(HA)
TOTAL Area Planted	4400	2375	4480	2400	0	3150	(HA)
TOTAL Area Harvested	3300	2200	3000	2200	0	2100	(HA)
TOTAL Production	40000	40000	25000	30000	0	18000	(MT)
Imports	2500	1500	3000	1000	0	2000	(MT)
TOTAL SUPPLY	42500	41500	28000	31000	0	20000	(MT)
Exports	22000	20000	16250	19230	0	15000	(MT)
Domestic Consumption	20500	21500	11750	11770	0	5000	(MT)
TOTAL DISTRIBUTION	42500	41500	28000	31000	0	20000	(MT)

Export Trade Matrix, Kiwifruit

Export Trade Matrix**Country** Greece**Commodity** Kiwifruit

Time Period		Units:	MT
Exports for:	2001		2002
U.S.	791	U.S.	716
Others		Others	
France	285	France	222
Holland	379	Holland	618
Germany	2391	Germany	1252
Spain	249	Spain	231
Italy	755	U.K.	460
Other EU	531	Other EU	83
>Sub Total EU	4590	>Sub Total EU	2866
Turkey	1168	Turkey	368
Poland	3829	Poland	1283
Russia	4601	Russia	2565
Total for Others	14188		7082
Others not Listed	14625		7515
Grand Total	29604		15313

Import Trade Matrix, Kiwifruit

Import Trade Matrix

Country Greece

Commodity Kiwifruit

Time Period Units: MT
 Imports for: 2001 2002
 U.S. U.S.
 Others Others

Belgium-Lux.	362	Belgium-Lux.	180
Holland	427	Holland	205
Germany	358	Italy	91
Italy	55	Other EU	121
Other EU	10	>Sub Total EU	597
>Sub Total EU	1212	Chile	675
Chile	665		

Total for Others 1877 1272

Others not Listed 20

Grand Total 1897 1272